GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3024
ANSWERED ON:18.12.2008
LOW COST CARRIERS
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) the number of private-owned low cost carriers which came into operation during the last three years and which are on the anvil;

(b) whether these low cost carriers are posing a threat to the revenue side of the Government owned airlines and also exert a great pressure on air traffic;

(c) if so, the details thereof; and

(d) the steps taken by the Government to make the air travel affordable and comfortable to all classes of people in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a):- During the last three years from 2006 to 2008 (till date), IndiGo airlines commenced scheduled air services. The Government does not categorise any airline as low cost.

The Government has issued initial No Objection Certificate (NOC) to operate Scheduled Air Transport (Regional) Services to M/s. Star Aviation for Southern Region, M/s. Jagson Airlines and M/s. MDLR Airlines for Northern Region and M/s. Zav Airways for North East/Eastern Region during the period. Out of these M/s. MDLR Airlines commenced its operations in year 2008.

(b) and (c):- Air fares are not being regulated by the Government. Airlines are free to charge air fares as per the market forces.

(d):- Following steps have been taken by the Government to help the aviation industry.

(1) Custom duty on import of Aviation Turbine Fuel (ATF) has been abolished,

(2) The Oil Companies have been reducing ATF prices since September, 2008,

(3)The Oil Companies have staggered the dues of Airlines over six months,

(4)The Oil Companies have also extended the credit period.

Now, with decreasing prices of ATF the Airlines have started reducing fares.